



BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JOHAN KLEHS, CHAIR
450 N STREET, SACRAMENTO, ROOM 122
FEBRUARY 14, 2001, 9:30 AM

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1. Legislative Bills - Recommendations for Board Positions

PROPERTY TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
1. SB 48	McClintock	12/13/00	Property taxation: homeowners' exemption	Support	Senate Rev. & Tax
2. SCA 1	McClintock	12/4/00	Ad valorem property tax upon vehicles	Neutral	Senate Rev. & Tax

BUSINESS TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
3. AB 13	Florez	12/4/00	Sales and use taxes: exemptions: farm equipment	Support	Assem. Jobs, Econ. Dev. & Economy Committee
4. AB 37	Strickland	12/4/00	Sales and use taxes: exemptions: gasoline and diesel fuel	Neutral	Assembly Rev. & Tax
5. AB 61	Florez	12/5/00	Hazardous waste disposal fees: bad debts	Prev. Board Position: Support if amended	Assem. Environ. Safety & Toxic Materials Com.
6. AB 81	Migden	1/4/01	Sales and use taxes: dot com retailer	Neutral	Assembly Rev. & Tax
7. AB 11x	Rod Pacheco	1/22/01	Repeal: natural gas consumption surcharge: electric energy surcharge	Neutral	Assembly Rev. & Tax

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
8. AB 19x	Briggs	1/25/01	Sales and use tax exemption: diesel	Neutral	Assembly Rev. & Tax
9. SB 13	McClintock	12/4/00	Sales and use tax: ¼% rate reduction	Support	Senate Rev. & Tax
10. SB 19	Escutia	12/4/00	Revenue derived from sales tax on carbonated beverages	Neutral	Senate Health & Human Services
11. SB 24	Polanco	12/4/00	Insurance tax credit	Support	Senate Rev. & Tax
12. SB 76	O'Connell	1/10/01	Sales and use tax exemption: space flight	Support	Senate Rev. & Tax
13. SB 1x	Soto	1/17/01	Sales and use tax exemption: electricity generating property	Neutral	Senate Rev. & Tax

2. 2001 Legislative Proposals

PROPERTY TAXES

2001 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the first year of the 2001-2002 Legislative Session (see attachments).

Old Business

For reconsideration

Suggestion

Number

1-9

Amend Section 15626 of the Government Code to include the annual value setting for state assessees and sponsored political action committee contributions under the Kopp Act.

Source: Honorable Dean Andal

Revenue Impact: None

Recommendation: Drop

Suggestion

Number

1-14

Amend Sections 830 and 830.1 of the Revenue and Taxation Code to clarify the distinction between the two penalties related to states assesseees: 1) failure to provide information needed to develop unit values, and 2) failure to provide information in sufficient detail needed to allocate the unit value so determined.

Source: Honorable John Chiang

Revenue Impact: None

Recommendation: Adopt

1-15

Amend Section 170 of the Revenue and Taxation Code to revise the property tax disaster relief provisions to: 1) permit assessor initiated reductions generally, 2) give taxpayers more time to file a claim, 3) give taxpayers more time to file an appeal, and 4) increase the eligibility threshold level to \$10,000.

Source: Taxpayers' Rights Advocate

Revenue Impact: Minor

Recommendation: Adopt

1-16

Amend Section 749 of the Revenue and Taxation Code to substitute the term "allocated" for "unallocated".

Source: Legal Division

Revenue Impact: None

Recommendation: Adopt

**Suggestion
Number**

1-17 **Amend Sections 75.11 and 532 of the Revenue and Taxation Code to provide additional cleanup related to restoring the statute of limitations on escape assessments and associated supplemental assessments.**

Source: Legislative Division

Revenue Impact: None

Recommendation: Adopt

1-18 **Amend Section 51296.3 of the Government Code to correct a referencing error.**

Source: Legal Division

Revenue Impact: None

Recommendation: Adopt

BUSINESS TAXES SALES AND USE TAXES

2001 Legislative Proposals

Set forth below are suggestions for Business Taxes legislation to be sponsored by the Board in the first year of the 2001-2002 Legislative Session (see attachments).

Old Business

For reconsideration

Suggestion Number

- 3-5** **Amend Section 7205.1 of the Revenue and Taxation Code to clarify that the definition of motor vehicles is limited to passenger vehicles and light-duty pickup trucks.**

Source: Sales and Use Tax Department

Revenue Impact: None

Recommendation: Adopt

New Business

Suggestion Number

- 3-7** **Add Section 6076.5 to the Revenue and Taxation Code to exclude from the seller's permit requirements, persons who sell tangible personal property for fund-raising purposes under specified conditions.**

Source: Taxpayers' Bill of Rights Hearing

Revenue Impact: Less than \$10,000 annual loss

Recommendation: Drop

- 3-8** **Add Sections 6460 and 6471.1 to the Revenue and Taxation Code to allow retailers selling to the state to report on a cash basis.**

Source: Taxpayers' Rights Hearing

Revenue Impact: \$1.8 million loss of interest

Recommendation: Drop

**Suggestion
Number**

3-9 Add Article 2.1 (commencing with Section 7070.1) to Chapter 8 of Part 1 of Division 2 of the Revenue and Taxation Code to authorize the Board to develop and administer a sales and use tax amnesty program.

Source: Taxpayers' Bill of Rights Hearing

Revenue Impact: Combined state, local, and transit revenue gain of approximately \$122.2 million

Recommendation: Put over to March

Approved: /s/ Johan Klehs
Johan Klehs, Committee Chair

/s/ James E. Speed
James E. Speed, Executive Director

BOARD APPROVED, including
exception memos from Mr. Klehs and
Mr. Andal
at the 2-15-01 Board Meeting

/s/ Judy Newton
Judy Newton, Chief
Board Proceedings Division

State of California Board of Equalization**M e m o r a n d u m**

To: Honorable Johan Klehs, Chair
Board Committee on Legislation

Date: February 15, 2001

From: Dean F. Andal
Member, Second District

Subject: Legislative Bills and Suggestion

Please note that my position on the following legislative bills and suggestion differs from the recommendations made by the Board Committee on Legislation on February 14, 2001:

<u>Bill/Author/Version</u>	<u>Andal Position</u>	<u>Committee Recommendation</u>
Property Taxes		
SCA 1 (McClintock) @ 12/4/00	Support	Neutral
 Business Taxes		
AB 37 (Strickland) @ 12/4/00	Support	Neutral
AB 81 (Migden) @ 1/4/01	Oppose	Neutral
AB 11x (Rod Pacheco) @ 1/22/01	Support	Neutral
AB 19x (Briggs) @ 1/25/01	Support	Neutral
SB 19 (Escutia) @ 12/4/00	Oppose	Neutral
SB 24 (Polanco) @ 12/4/00	Neutral	Support
 <u>Suggestion Number</u>	<u>Andal Position</u>	<u>Committee Recommendation</u>
Property Taxes		
1-9	Support	Drop

DFA:hah

cc: Honorable John Chiang
Honorable Claude Parrish
Honorable Kathleen Connell
Ms. Margaret S. Shedd
Ms. Judy Newton

MEMORANDUM

To: Honorable Dean Andal
Honorable Claude Parrish
Honorable John Chiang
Honorable Kathleen Connell

Date: February 14, 2001

From: Johan Klehs, Chair
Legislative Committee

There is one bill on which I disagree with the official Board of Equalization position of support, opposition and neutrality on the February 15, 2001, Legislative Committee agenda. While not listing all of the bill positions with which I disagree, I would like to specifically note that I am neutral on AB 13 (Florez).